

City of Kensington

Kensington, Kansas

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2019

MAPES & MILLER  
Certified Public Accountants  
Phillipsburg, Kansas 67661

CITY OF KENSINGTON  
Kensington, Kansas

For the Year Ended December 31, 2019

City Council

Judy Bates	JoAnn Rice
Max Kuhlmann	Don Dodds
Curtis Beach	

City Offices

David Wahl	Mayor
Amber Hardacre	City Clerk
Michelle Rust	City Treasurer
Michael-Shannon McDowell	Attorney

City of Kensington  
Kensington, Kansas

For the Year Ended December 31, 2019

TABLE OF CONTENTS

		<u>Page Numbers</u>
	Independent Auditor's Report	1-2
	<u>FINANCIAL SECTION</u>	
Statement 1	Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	3
	Notes to the Financial Statement	4-10
	<u>REGULATORY REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule 1	Summary of Expenditures – Actual and Budget – Regulatory Basis	11
Schedule 2	Schedule of Receipts and Expenditures – Actual and Budget – Regulatory Basis	
	<u>General Fund</u>	
2-1	General Operating Fund	12-13
	<u>Special Purpose Funds</u>	
2-2	Library Fund	14
2-3	Park & Recreation Fund	15
2-4	Special Highway Fund	16
2-5	Capital Improvements Fund	17
2-6	Gifts & Grants Fund	18
	<u>Capital Projects Fund</u>	
2-7	Well Water Project Fund	19
	<u>Business Funds</u>	
2-8	Swimming Pool Fund	20
2-9	Water Fund	21
2-10	Sewer Fund	22
2-11	Solid Waste Fund	23
Schedule 3	Schedule of Receipts and Disbursements – Agency Funds – Regulatory Basis	24



# MAPES & MILLER LLP

**CERTIFIED PUBLIC ACCOUNTANTS**  
A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

JOHN D. MAPES, CPA, CHTD  
DENIS W. MILLER, CPA, PA  
THOMAS B. CARPENTER, CPA, PA  
DON E. TILTON, CPA, PA

BRIAN S. THOMPSON, CPA, PA  
REBECCA A. LIX, CPA, PA  
STEPHANIE M. HEIER, CPA, PA

418 E HOLME  
NORTON, KS 67654  
(785)877-5833

P.O. BOX 266  
711 3<sup>RD</sup> STREET  
PHILLIPSBURG, KS 67661  
(785)543-6561

PO BOX 412, 230 MAIN ST  
QUINTER, KS 67752  
(785)754-2111

P.O BOX 508  
503 MAIN ST  
STOCKTON, KS 67669  
(785)425-6764

## INDEPENDENT AUDITOR'S REPORT

Mayor and City Council  
City of Kensington  
Kensington, Kansas 66951

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Kensington, Kansas, a Municipality, as of and for the year ended December 31, 2019 and the related notes to the financial statement.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Kensington on the basis of financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Kensington, Kansas as of December 31, 2019, or changes in financial position and cash flows thereof for the year then ended.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Kensington, Kansas, as of December 31, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the 2019 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the 2019 basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statement. The 2019 information has been subjected to the auditing procedures applied in the audit of the 2019 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2019 basic financial statement or to the 2019 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Respectfully submitted,

*Mapes & Miller LLP*

Certified Public Accountants

October 12, 2020  
Phillipsburg, Kansas

CITY OF KENSINGTON  
Kensington, Kansas

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
REGULATORY BASIS  
For the Year Ended December 31, 2019

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund							
General Operating Fund	\$ 70,533	\$ -	\$ 156,584	\$ 185,076	\$ 42,041	\$ 25,565	\$ 67,606
Special Purpose Funds							
Library Fund	-	-	7,012	6,940	72	-	72
Park & Recreation Fund	1,459	-	1,907	2,545	821	125	946
Special Highway Fund	9,852	-	12,118	5,568	16,402	280	16,682
Capital Improvements Fund	100,479	-	-	29,342	71,137	-	71,137
Gifts & Grants Fund	-	-	9,135	9,135	-	-	-
Capital Projects Fund							
Well Water Project Fund	(5,000)	-	5,000	-	-	-	-
Business Funds							
Swimming Pool Fund	1,295	-	14,548	11,778	4,065	37	4,102
Water Fund	8,790	-	106,014	103,525	11,279	2,511	13,790
Sewer Fund	35,781	-	45,600	23,759	57,622	937	58,559
Solid Waste Fund	15,537	-	33,158	27,600	21,095	-	21,095
Total Financial Reporting Entity (Excluding Agency Funds)	<u>\$ 238,726</u>	<u>\$ -</u>	<u>\$ 391,076</u>	<u>\$ 405,268</u>	<u>\$ 224,534</u>	<u>\$ 29,455</u>	<u>\$ 253,989</u>
Composition of Cash:							
Cash on Hand							\$ 40
Checking Account							200
NOW Account							150,845
CDs							<u>114,842</u>
Total Cash							265,927
Agency Funds Per Schedule 3							<u>(11,938)</u>
Total Financial Reporting Entity							<u>\$ 253,989</u>

The notes to the financial statement are an integral part of this statement.

CITY OF KENSINGTON  
Kensington, Kansas

NOTES TO THE FINANCIAL STATEMENT  
December 31, 2019

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The City of Kensington, Kansas, is a municipal corporation governed by an elected mayor and an elected five member council. This financial statement presents the City of Kensington, the Municipality, and does not include its related municipal entities.

**B. Regulatory Basis Fund Types**

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities for the City for the year ended December 31, 2019.

**General Fund** - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose Funds** - used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

**Capital Project Fund** – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

**Business Funds** - funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

**Agency Funds** - funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.)

**C. Regulatory Basis Of Accounting And Departure From Accounting Principles Generally Accepted In The United States Of America**

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

#### **D. Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds, and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year ended December 31, 2019.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Projects Funds, Trust Funds and the following:

Special Purpose Fund:  
Capital Improvements Fund  
Gifts & Grants Fund

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.



## **2. STEWARSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **Compliance with Kansas Statutes**

- A. Fund encumbrance records were not maintained during the year ended December 31, 2019 as required by K.S.A. 10-1117.
- B. The City is not aware of any other non-compliance with Kansas statutes.

## **3. DEPOSITS AND INVESTMENTS**

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located or in an adjoining County, if such an institution has been designated as an official depository and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk.** State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during the designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2019.

At December 31, 2019, the City's carrying amount of deposits was \$265,887 and the bank balance was \$271,233. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance \$250,000 was covered by federal depository insurance, \$21,233 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

**Custodial Credit Risk – Investments.** For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

## **4. INTERFUND TRANSFERS**

There were no operating transfers during the year ended December 31, 2019.

## 5. DEFINED BENEFIT PENSION PLAN

**Plan description.** The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

**Contributions.** K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009. KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.89% for the fiscal year ended December 31, 2019. Contributions to the pension plan from the City were \$7,477 for the year ended December 31, 2019.

### Net Pension Liability

At December 31, 2019, the City's proportionate share of the collective net pension liability reported by KPERS was \$54,539. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

## 6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

### (a) Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

(b) Death and Disability Other Post Employment Benefits.

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2019.

(c) Other Employee Benefits

Vacation and Sick Leave

Sick leave is accumulated on the basis of eight hours for each continuous month of employment. New employees accumulate sick leave beginning with the first month following their employment date. Employees may accumulate sick leave up to ninety working days. Permanent part-time employees earn four hours of sick leave for each month worked. Accumulated sick leave is not paid upon termination of employment.

All full-time employees of the city are entitled to paid vacation. After one full year of employment, they are entitled to five working days of paid vacation. At the end of two years they are entitled to ten working days of paid vacation. At the end of ten years of employment, they are entitled to fifteen working days paid vacation. Five vacation days can be carried over to the following year. Carryover of any additional days must be approved by the City Council. Permanent part-time employees receive half as many days as full-time employees. No vacation may be taken prior to the employee's first anniversary date of employment, with the exception that an employee who has been employed for a period between six months and one year can use one day of vacation and permanent part-time employees may use a ½ day.

## **7. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks.

During the year ended December 31, 2019, the City did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three years.

## **8. WATER RIGHTS PURCHASE**

On March 9, 2015, the City approved a resolution authorizing the City to enter into a Water Right Purchase Agreement. The City will pay the seller the sum of \$100,000 for the purchase of the well, water rights, and easements to be financed at a rate of 5% per annum, and payable over a nineteen year period. The purchase price will be paid in equal annual installments of \$7,642.33.

## **9. SUBSEQUENT EVENTS**

Management has evaluated events subsequent to year end through the date of this report, and does not believe any other events through the date of this report have occurred, which effect the financial statement as presented. However, on March 11, 2020, the Novel Coronavirus Disease, COVID-19, was declared a pandemic by the World Health Organization. On March 13, 2020, a national emergency was declared in the United States concerning the COVID-19 Outbreak. The economic uncertainties related to the pandemic could have a negative impact on the City but management currently is unable to reasonably determine the effects it may have on the City's financial conditions and operations.

## 10. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2019, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance 1/1/2019	Additions	Reductions/ Payments	Ending Balance 12/31/2019	Interest/ Service Fee Paid
KDHE Loans									
KS Water Supply Loan	1.91%	7/7/16	498,540	2/1/37	\$ 426,684	\$ 4,850	\$ 144,796 *	\$ 286,738	\$ 6,521
Total KDHE Loans					426,684	4,850	144,796	286,738	6,521
Purchase Agreement									
Water Rights	5.00%	9/8/16	100,000	9/8/35	86,158	-	3,335	82,823	4,308
Total Purchase Agreement					86,158	-	3,335	82,823	4,308
Total Long-Term Debt					\$ 512,842	\$ 4,850	\$ 148,131	\$ 369,561	\$ 10,829

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

Year	KDHE Loan		Purchase Agreement		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 13,057	\$ 5,415	\$ 3,501	\$ 4,141	\$ 16,558	\$ 9,556
2021	13,308	5,164	3,676	3,966	16,984	9,130
2022	13,563	4,909	3,860	3,782	17,423	8,691
2023	13,823	4,648	4,053	3,589	17,876	8,237
2024	14,089	4,383	4,256	3,387	18,345	7,770
2025-2029	74,605	17,754	24,691	13,520	99,296	31,274
2030-2034	82,043	10,316	31,513	6,699	113,556	17,015
2035-2039	62,250	2,401	7,273	364	69,523	2,765
	<u>\$ 286,738</u>	<u>\$ 54,990</u>	<u>\$ 82,823</u>	<u>\$ 39,448</u>	<u>\$ 369,561</u>	<u>\$ 94,438</u>

\* Principal payment of \$13,252 plus \$131,544 forgiven by KDHE in January 2019.

CITY OF KENSINGTON, KANSAS  
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2019

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2019

FUNDS	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund					
General Operating Fund	\$ 232,023	\$ -	\$ 232,023	\$ 185,076	\$ (46,947)
Special Purpose Funds					
Library Fund	6,940	-	6,940	6,940	-
Park & Recreation Fund	2,850	-	2,850	2,545	(305)
Special Highway Fund	20,536	-	20,536	5,568	(14,968)
Business Funds					
Swimming Pool Fund	21,070	-	21,070	11,778	(9,292)
Water Fund	128,386	-	128,386	103,525	(24,861)
Sewer Fund	98,064	-	98,064	23,759	(74,305)
Solid Waste Fund	60,650	-	60,650	27,600	(33,050)

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-1  
Page 1 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2019

GENERAL OPERATING FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 80,413	\$ 84,074	\$ (3,661)
Delinquent Tax	1,663	2,000	(337)
Motor Vehicle Tax	24,212	20,472	3,740
Recreational Vehicle Tax	449	281	168
16/20M Vehicle Tax	195	165	30
Commercial Vehicle Tax	1,922	3,033	(1,111)
Intangibles Tax	13,138	11,251	1,887
Neighborhood Revitalization Rebate	(1,705)	(1,768)	63
Local Alcoholic Liquor Tax	1,687	1,841	(154)
Franchise Tax	15,890	19,000	(3,110)
Licenses & Permits	375	1,000	(625)
Fines	298	3,500	(3,202)
Interest on Idle Funds	6,174	4,500	1,674
Reimbursements	6,454	22,000	(15,546)
Miscellaneous Receipts	2,619	5,000	(2,381)
Grants	2,800	16,000	(13,200)
	<u>156,584</u>	<u>\$ 192,349</u>	<u>\$ (35,765)</u>
Total Receipts			
EXPENDITURES			
General Government			
Personal Services	35,944	30,000	5,944
Maintenance	4,347	5,000	(653)
Supplies	2,205	6,000	(3,795)
Office Expense	8,027	7,000	1,027
Utilities	17,744	25,000	(7,256)
Health Insurance	13,986	14,000	(14)
Professional Fees	8,075	8,600.00	(525)
Attorney	1,887	3,500	(1,613)
Mileage	371	500	(129)
Contractual	100	3,000	(2,900)
Insurance	24,256	19,950	4,306
Grants & Donations	630	8,500	(7,870)
Property Taxes	4,211	5,000	(789)
Miscellaneous	1,893	199	1,694
Alcoholic Beverage Control	50	100	(50)
Remittances	6,697	3,500	3,197
Reimbursement	1,866	3,800	(1,934)
Machinery & Equipment	1,500	-	1,500
Fuel	-	1,000	(1,000)
Delivery & Freight	390	-	390
Printing & Advertising	-	1,000	(1,000)
	<u>134,179</u>	<u>145,649</u>	<u>(11,470)</u>
Total General Government			



CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-1  
Page 2 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2019

GENERAL OPERATING FUND

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Police			
Contractual Services	\$ 2,400	\$ 5,000	\$ (2,600)
Sidewalks	1,242	-	1,242
Streets			
Street Material	74	20,000	(19,926)
Parks & Recreation			
Ground Maintenance	1,591	2,001	(410)
Debt Service			
Principal	16,587	3,334	13,253
Interest	10,829	4,308	6,521
Total Debt Service	27,416	7,642	19,774
Swimming Pool			
Personal Services	16,065	18,500	(2,435)
Chemicals	-	9,000	(9,000)
Miscellaneous	-	1,000	(1,000)
Printing & Advertising	27	-	27
Maintenance Supplies	1,797	-	1,797
Other Material/Supplies	285	-	285
Total Swimming Pool	18,174	28,500	(10,326)
Grants & Donations	-	6,000	(6,000)
Miscellaneous	-	7,231	(7,231)
Outgoing Transfer			
Capital Improvements Fund	-	10,000	(10,000)
Total Expenditures	185,076	\$ 232,023	\$ (46,947)
Cash Receipts Over (Under) Expenditures	(28,492)		
UNENCUMBERED CASH, January 1, 2019	70,533		
UNENCUMBERED CASH, December 31, 2019	\$ 42,041		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2019

LIBRARY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 5,249	\$ 5,489	\$ (240)
Delinquent Tax	117	150	(33)
Motor Vehicle Tax	1,588	1,348	240
Recreational Vehicle Tax	30	18	12
16/20M Vehicle Tax	13	11	2
Commercial Vehicle Tax	126	200	(74)
Neighborhood Revitalization Rebate	(111)	(116)	5
	<u>7,012</u>	<u>\$ 7,100</u>	<u>\$ (88)</u>
Total Receipts			
EXPENDITURES			
Appropriation to Library	6,940	\$ 6,940	\$ -
	<u>72</u>		
Receipts Over (Under) Expenditures			
UNENCUMBERED CASH, January 1, 2019	<u>-</u>		
UNENCUMBERED CASH, December 31, 2019	<u>\$ 72</u>		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-3

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2019

PARK & RECREATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Local Alcoholic Liquor Tax	\$ 1,687	\$ 1,841	\$ (154)
Fees	120	-	120
Grants & Donations	100	-	100
Total Receipts	<u>1,907</u>	<u>\$ 1,841</u>	<u>\$ 66</u>
EXPENDITURES			
Maintenance	1,785	\$ 2,619	\$ (834)
Utilities	760	231	529
Total Expenditures	<u>2,545</u>	<u>\$ 2,850</u>	<u>\$ (305)</u>
Receipts Over (Under) Expenditures	(638)		
UNENCUMBERED CASH, January 1, 2019	<u>1,459</u>		
UNENCUMBERED CASH, December 31, 2019	<u>\$ 821</u>		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2019

SPECIAL HIGHWAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Special Gasoline Tax	\$ 12,118	\$ 12,010	\$ 108
EXPENDITURES			
Contractual Services	237	\$ 500	\$ (263)
Equipment Maintenance	556	500	56
Equipment Rent	2,943	6,000	(3,057)
Supplies	13	1,000	(987)
Street Material	756	11,536	(10,780)
Fuel	1,063	1,000	63
Total Expenditures	5,568	\$ 20,536	\$ (14,968)
Receipts Over (Under) Expenditures	6,550		
UNENCUMBERED CASH, January 1, 2019	9,852		
UNENCUMBERED CASH, December 31, 2019	\$ 16,402		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-5

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended December 31, 2019

CAPITAL IMPROVEMENTS FUND

	<u>Actual</u>
RECEIPTS	<u>\$ -</u>
EXPENDITURES	
Street Material	1,178
Water Line Maintenance	<u>28,164</u>
Total Expenditures	<u>29,342</u>
Receipts Over (Under) Expenditures	(29,342)
UNENCUMBERED CASH, January 1, 2019	<u>100,479</u>
UNENCUMBERED CASH, December 31, 2019	<u><u>\$ 71,137</u></u>

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-6

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended December 31, 2019

GIFTS & GRANTS FUND

	<u>Actual</u>
RECEIPTS	
Grants & Donations	<u>\$ 9,135</u>
EXPENDITURES	
Grants	<u>9,135</u>
Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, January 1, 2019	<u>-</u>
UNENCUMBERED CASH, December 31, 2019	<u><u>\$ -</u></u>

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-7

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended December 31, 2019

WATER WELL PROJECT FUND

	<u>Actual</u>
RECEIPTS	
KDHE Loan Proceeds	<u>\$ 5,000</u>
EXPENDITURES	<u>-</u>
Receipts Over (Under) Expenditures	5,000
UNENCUMBERED CASH, January 1, 2019	<u>(5,000)</u>
UNENCUMBERED CASH, December 31, 2019	<u><u>\$ -</u></u>

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-8

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2019

SWIMMING POOL FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Admissions	\$ 5,520	\$ 5,000	\$ 520
Concessions	1,446	3,000	(1,554)
Lessons	840	1,000	(160)
Grants & Donations	6,742	5,000	1,742
	<u>14,548</u>	<u>\$ 14,000</u>	<u>\$ 548</u>
Total Receipts			
EXPENDITURES			
Utilities	3,815	\$ 5,000	\$ (1,185)
Supplies	2,262	5,000	(2,738)
Chemicals	3,118	-	3,118
Concessions	1,147	2,000	(853)
Red Cross Training	900	1,500	(600)
Miscellaneous	200	500	(300)
Maintenance	50	7,070	(7,020)
Mileage	286	-	286
	<u>11,778</u>	<u>\$ 21,070</u>	<u>\$ (9,292)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	2,770		
UNENCUMBERED CASH, January 1, 2019	<u>1,295</u>		
UNENCUMBERED CASH, December 31, 2019	<u>\$ 4,065</u>		



CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-9

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2019

WATER FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Fees Collected	\$ 106,014	\$ 110,000	\$ (3,986)
EXPENDITURES			
Personal Services	48,478	\$ 41,000	\$ 7,478
Remittances	2,652	3,000	(348)
Refunds	85	-	85
Miscellaneous	21	-	21
Principal	-	14,898	(14,898)
Interest	-	5,046	(5,046)
Service Fees	-	1,183	(1,183)
Health Insurance	13,986	13,500	486
Contract Labor	-	13,559	(13,559)
Rental Expense	213	300	(87)
Mileage	-	800	(800)
Other Contractual Services	245	9,000	(8,755)
Testing Services	1,900	2,400	(500)
Permits & Licenses	20	200	(180)
Fuel for Vehicles	3,025	1,900	1,125
Reimbursements	-	600	(600)
Maintenance	13,111	400	12,711
Supplies	6,240	7,200	(960)
Utilities	10,921	9,500	1,421
Office Expense	2,628	3,000	(372)
Training & Education	-	900	(900)
Total Expenditures	103,525	\$ 128,386	\$ (24,861)
Receipts Over (Under) Expenditures	2,489		
UNENCUMBERED CASH, January 1, 2019	8,790		
UNENCUMBERED CASH, December 31, 2019	\$ 11,279		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-10

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2019

SEWER FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Fees Collected	\$ 45,600	\$ 45,000	\$ 600
EXPENDITURES			
Personal Services	20,097	\$ 21,000	\$ (903)
Utilities	1,352	5,000	(3,648)
Mileage	56	1,500	(1,444)
Training & Education	-	3,000	(3,000)
Permits & Licenses	185	3,000	(2,815)
Miscellaneous	123	5,000	(4,877)
Maintenance	916	36,564	(35,648)
Supplies	678	20,000	(19,322)
Testing Services	352	3,000	(2,648)
Total Expenditures	23,759	\$ 98,064	\$ (74,305)
Receipts Over (Under) Expenditures	21,841		
UNENCUMBERED CASH, January 1, 2019	35,781		
UNENCUMBERED CASH, December 31, 2019	\$ 57,622		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-11

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2019

SOLID WASTE FUND

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
RECEIPTS			
Fees Collected	\$ 33,158	\$ 36,000	\$ (2,842)
EXPENDITURES			
Removal of Waste	27,600	\$ 60,650	\$ (33,050)
Receipts Over (Under) Expenditures	5,558		
UNENCUMBERED CASH, January 1, 2019	<u>15,537</u>		
UNENCUMBERED CASH, December 31, 2019	<u>\$ 21,095</u>		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS  
For the Year Ended December 31, 2019

AGENCY FUNDS

FUNDS	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Hospital Sales Tax	\$ 2,537	\$ 35,549	\$ 35,356	\$ 2,730
Payroll Clearing	8,523	122,611	127,376	3,758
Utility Meter Deposit	<u>5,350</u>	<u>1,200</u>	<u>1,100</u>	<u>5,450</u>
Total Agency Funds	<u>\$ 16,410</u>	<u>\$ 159,360</u>	<u>\$ 163,832</u>	<u>\$ 11,938</u>